BRITISH COLUMBIA

# BC STATS Infoline

tel (250) 387-0327
fax (250) 387-0329

All issues since 97-01 are on our website:
http://www.bcstats.gov.bc.ca

Issue: 00-03 5 Pages
January 21, 2000

## highlights

a weekly digest of recently released British Columbia statistics

### *Prices*

- **British Columbia's consumer price index (CPI) was 1.7% higher in December than in the same month of 1998, giving the province the highest overall inflation rate it has seen since late 1995.** Burgeoning energy costs continued to be the main reason for the upward movement in the inflation rate. After declining for more than a year, energy prices began to ratchet up in April, with double-digit increases seen in all but one of the last six months. December's increase was 13.1%. Other components of the CPI have been more stable, and without the effect of skyrocketing energy prices, BC's inflation rate would have been 1.0% last month.

  Shelter costs remained flat in December, relative to the same month of 1998, as did prices for alcoholic beverages and tobacco (+0.0) and household operations (+0.3%). Consumers paid 1.4% more for food items, and faced bigger increases in the cost of health and personal care (+2.2%) and clothing and footwear (+4.0%). The transportation component of the index was up 5.3%, largely reflective of a 19.0% hike in the price of gas and an 11.5% increase in intercity transportation costs.

  The Canadian inflation rate was 2.6% in December, but would have been 1.6% without the effect of higher prices for energy products such as gasoline, fuel oil and natural gas. BC (+1.7%) and Saskatchewan (+1.8%) were the only provinces where the inflation rate was below two percent.

  *Source: Statistics Canada*

- **BC had the lowest *annual* inflation rate (+1.1%) of any province last year.** PEI (+1.2%) was the only other province where the increase in the CPI was well below the national average of 1.7%. Inflation rates in other provinces ranged from 1.5% in both Quebec and Newfoundland to 2.4% in Alberta. The overall price level rose 1.0% in Victoria, and 0.9% in Vancouver.

  BC residents faced lower than average increases in the cost of food (+1.0%, compared to +1.3% nationally), clothing (+1.1% versus +1.3%), recreation, education and reading materials (+0.8% versus +1.8%) and alcoholic beverages and tobacco (+0.5% versus +2.1%). A weak housing market continued to put downward pressure on shelter costs, especially for homeowners, which fell 0.5% during the year. Canada-wide, they were up 1.4%. However, British Columbians saw the cost of transportation increase 3.3% (equal to the national average), and prices for health and personal care rose 2.5%, compared to a 1.9% increase nationally. *Source: Statistics Canada*

### *The Economy*

- **Exports of goods produced in British Columbia rose 6.1% in November, compared to the same month of 1998.** International shipments of machinery and equipment (+18.8%) and automotive products (+13.2%) were well above November 1998 levels. Forest (+6.2%) and energy (+22.0%) product exports continued to expand despite the dampening effect of a strike at the Port of Vancouver, which hampered the movement of lumber to Asian markets. At the same time, quotas and additional duties on lumber sold to the US forced some producers to shut down operations in mid-November.

  Canadian exports moved up 12.7%, as exports advanced in every province except Manitoba (-6.9%). BC's 6.1% increase was modest compared to other parts of the country. Every other province except New Brunswick (+5.7%) saw exports grow at double-digit rates ranging from

**Report** **Absenteeism**

***Did you know...***
***Three percent of Canadians aged 15 and over (5% of men and 1% of women) are cigar or cigarillo smokers. Another 1% use pipes and smokeless tobacco. 29% of men and 5% of women have been pipe smokers at some time in their lives.***

10.2% in Ontario to 98.3% in Newfoundland, where growth was fuelled by the energy sector.

With the recent gains, BC's exports have more than regained the ground lost during the downturn in 1997 and 1998. Final figures for 1999 are expected to show that exports reached a record high last year. Year-to-date, they were up 10.2% from the first 11 months of 1998, marking the strongest increase seen since 1995.

*Source: Statistics Canada & BC STATS*

- **BC manufacturing shipments were flat in November after declining 1.2% (seasonally adjusted) in the previous month.** Both durable and non-durable shipments were at virtually the same level as in October. The wood (-0.6%), paper (-1.4%) and food (-0.8%) industries all posted declines. Shipments by manufacturers of higher value-added products, such as electronics (+6.1%), machinery (+4.9%) and transportation equipment (+1.0%) picked up, but the improvement was not strong enough to offset the weakness in BC's three biggest manufacturing industries.

  Nationally, the value of shipments rose 1.8% as shipments advanced in every province except BC and New Brunswick (-0.1%). Newfoundland (+14.2%) led the way, with increases in other provinces ranging from +0.7% in Ontario to +5.1% in PEI. *Source: Statistics Cannada*

- **The number of new cars and trucks sold in the province was up 9.5% in November, compared to the same month in 1998, as sales of overseas-manufactured vehicles continued to strengthen.** Nationally, vehicle sales advanced 15.2% in November, as consumers flocked back to dealers' showrooms in every part of the country. Sales rose at double-digit rates in every province except BC and Manitoba (+4.9%).*Source: Statistics Canada*

### *Tourism*

- **With strong growth in entries from some Asian nations and a solid increase in US same-day travel, international travel to Canada via BC rebounded in November.** There were 701,900 traveller entries (seasonally adjusted) into the province, up 3.2% from the previous month. This pushed visitor entries to their highest level since July. US entries rose 1.2%, largely due to a 2.2% increase in same-day travel. Total overseas entries were up 12.2%, reflecting strong growth in the number of visits from Asian countries, especially Taiwan, Hong Kong and South Korea. Entries from Japan slipped 7.5%.

  *Source: BC STATS & Statistics Canada*

### *Tobacco Use*

- **More than 6 million Canadians (25% of the population aged 15 and over) smoked cigarettes occasionally or on a daily basis in 1999.** This represents a decline from 30% of the population who were current smokers at the beginning of the decade. There are now more former smokers (26% of the adult population) than current smokers (25%) in Canada. Among the provinces, smoking is least prevalent in BC, where the rate has fallen from 30% in 1990 to 20% last year. BC's smoking rate dropped more than in any other province except Manitoba, where it fell from 35% to 23%. Smoking rates in other provinces ranged from 24% in Ontario to 29% in Nova Scotia last year.

  *Source: Health Canada, Tobacco Use Survey*

- **BC has the highest proportion of never-smokers (55% of the adult population, compared to a national average of 49%) in the country.** In addition, nearly half (49%) of BC residents who had been smokers at some time had managed to shake the habit, more than in any other province. Fewer teens (24%, compared to a national average of 28%) smoke in BC than in any other province. Those who do consume fewer cigarettes (11.8 per day) than their counterparts in the rest of Canada (the national average was 12.7).

  *Source: Health Canada, Tobacco Use Survey*

**highlights,** Issue 00-03
January 21, 2000

*For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.*

January 21, 2000

# Infoline Report: Absenteeism from work - the impact of the ageing population

Contact: Anne Kittredge / (250) 387-0374

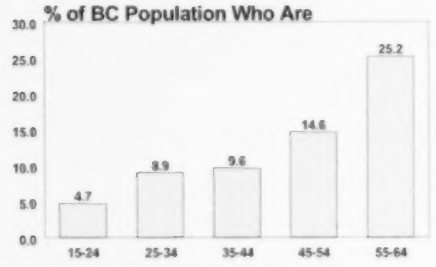
Originally published in November 1999 issue, *Earnings & Employment Trends*. Annual subscription: $60 + GST

The ageing BC population and the likely affect on labour turnover rates was covered in the April 1999 release of Earnings and Employment Trends. This article looks at a different aspect of the ageing workforce, this time from the perspective of workplace absenteeism due to own illness or disability.

In any one week, approximately 4.4 per cent of employees take some time off work because of illness[1]. Among those who do, the average length of time off the job is 23 hours per week[2]. When these numbers are converted to an annual basis and calculated across all employees, the results show that in 1998, employees took an average of 7.5 days of sick leave[3].

Data from the Health and Activity Limitations Survey[4], shows that the occurrence of health problems increases dramatically from the age of 45 on. By the time an individual reaches the 55-64 age range, the chances of having a health problem is one in four. Most of the impairments are some sort of mobility/agility difficulty. Hearing problems is also fairly common (8%) for this age group.

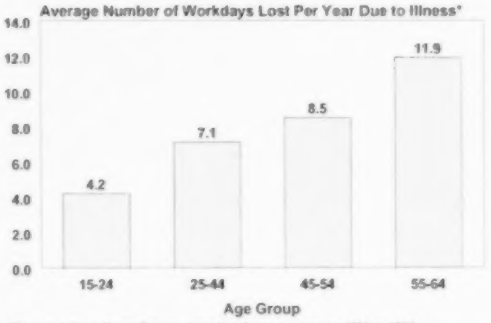
**The Incidence of Disability Rises Dramatically in the latter years of working life**




**Based on the 1986 Disability Survey, Statistics Canada*

How do these disabilities or health problems impact work attendance? As can be seen from the chart below, the number of days taken off per year due to illness increases with age, particularly after 55, much in line with the disability profile.

**Employees approaching retirement take 12 sick days per year, compared to 4 for the young.**




**Source: Labour Force Survey - based on four year average 1995 to 1998*

Currently, the 55-64 year age group comprises only 8 per cent of the total workforce but because of their high rate of absenteeism, they contribute 14 per cent of total sick days. As the population in this age group increases, their absenteeism will rise to constitute 21 per cent of the total by 2014.

For employers, the outcome of this ageing population will be more absenteeism in the workplace, not due to any behavioural change but just from the demographics alone. Absenteeism goes hand-in-hand with declining productivity and increasing costs. It can also cause further damage if the burden of coverage spills over to co-workers and creates staff morale problems.

To what extent the employer will see direct cost increases will depend on their sick leave policy. Employers who do not provide sick leave benefits will have a reduction in wage costs that

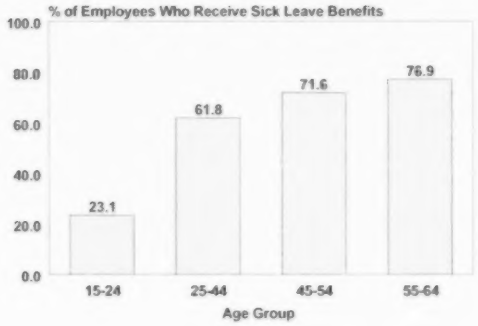
[1] *Based on data from the Labour Force Survey, 1998.*
[2] *Among those who were away part of the week, the average number of hours away was 10.0*
[3] *Based on a 7 hour day which is the average for 1998.*
[4] *Conducted in 1986 by Statistics Canada*

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, BC V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca

will at least partially offset any loss in productivity. For employers who provide wage replacement benefits for sick leave but do not back-fill the absent employee's job, their costs will be the full drop in productivity. The employers who will be most impacted by increased absenteeism will be those that pay sick benefits and also must hire short-term replacement staff to fill in.

In the Statistics Canada Survey of Work Arrangements (1995) it was determined that 58 per cent of all employees receive wage replacement sick benefits. As one would expect, the older members of the workforce have better coverage than the young. On top of that, wages increase with age so the cost of sick leave benefits will be higher for older employees.

**Senior members of the workforce are 3 times more likely to receive sick leave benefits than the young.**




If all three factors are taken into account, that is the shift of absenteeism to older staff members who have better sick leave benefits and higher wages, employers can expect an 8 per cent increase in sick leave costs per employee by 2014.

That 8 per cent increase is an economy wide average -- some employers are bound to experience far larger cost increases than that. The education and health services sector is a case in point. Data show that nurses and teachers have high proportions of their members over the age of 44 and who are almost all entitled to sick leave benefits. In addition, these particular jobs usually require full coverage so substitute teachers and nurses have to be hired to fill-in. This means the equivalence of two wages is paid every time an employee is off sick. Under such circumstances, BC will inevitably see increasing public sector employee costs over the next 15 years.

**Deepen your knowledge** of the economy and society you work and compete in.

Subscribe to the periodical section of our Internet site to access ***Earnings and Employment Trends*** and ten other monthly and quarterly releases. The price for complete access over the course of a year is only $100. We also off a separate electronic subscription service to ***Major Projects Inventory*** — a quarterly guide to construction projects planned, underway or recently completed in British Columbia. If you prefer, we offer paper-based subscriptions at prices that reflect our increased costs, delivered by regular mail. Reproduced here is just the article from the November 1999 issue of ***Earnings and Employment Trends***. To see a sample of a complete issue, or samples of our other periodicals, use the "Products" button on our home page, then check out the section titled, "About Our Printed Reports".

Different periodicals feature highlights, articles, charts, data tables and definitions. Get the whole story. Subscribe today.

For more information, contact:

Kris Ovens Tel: (250) 387-0359 FAX: (250) 387-0380 or e-Mail Kris.Ovens@gems7.gov.bc.ca

# Infoline

January 21, 2000

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

## BC at a glance . . .

| POPULATION (thousands) | Oct 1/99 | % change on one year ago |
|---|---|---|
| BC | 4,037.2 | 0.8 |
| Canada | 30,572.5 | 0.8 |
| **GDP and INCOME** | | % change on |
| *(BC - at market prices)* | 1998 | one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 110,948 | -0.2 |
| GDP *($ 1992 millions)* | 99,708 | 0.2 |
| GDP *($ 1992 per Capita)* | 24,908 | -0.8 |
| Personal Disposable Income *($ 1992 per Capita)* | 15,969 | -1.6 |
| **TRADE ($ millions)** | | |
| Manufacturing Shipments (seas. adj.) Nov | 3,171 | 8.5 |
| Merchandise Exports (raw) Nov | 2,316 | 6.1 |
| Retail Sales (seasonally adjusted) Oct | 2,807 | 3.3 |
| **CONSUMER PRICE INDEX** | | % change on |
| *(all items - 1992=100)* | Dec '99 | one year ago |
| BC | 111.6 | 1.7 |
| Canada | 111.5 | 2.6 |
| **LABOUR FORCE (thousands)** | | % change on |
| *(seasonally adjusted)* | Dec '99 | one year ago |
| Labour Force - BC | 2,091 | 1.4 |
| Employed - BC | 1,918 | 1.3 |
| Unemployed - BC | 172 | 2.1 |
| | | Dec '98 |
| Unemployment Rate - BC *(percent)* | 8.2 | 8.2 |
| Unemployment Rate - Canada *(percent)* | 6.9 | 8.0 |
| **INTEREST RATES (percent)** | Jan 19/00 | Jan 20/99 |
| Prime Business Rate | 6.50 | 6.75 |
| Conventional Mortgages - 1 year | 7.60 | 6.40 |
| - 5 year | 8.55 | 6.90 |
| **US/CANADA EXCHANGE RATE** | Jan 19/00 | Jan 20/99 |
| *(avg. noon spot rate)* Cdn $ | 1.4523 | 1.5223 |
| US $ *(reciprocal of the closing rate)* | 0.6888 | 0.6572 |
| **AVERAGE WEEKLY WAGE RATE** | | % change on |
| *(industrial aggregate - dollars)* | Dec '99 | one year ago |
| BC | 635.95 | 1.4 |
| Canada | 604.46 | 3.5 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

### Released this week by BC STATS

- Quarterly Regional Statistics, 4th Quarter 1999
- Earnings & Employment Trends, Dec. 1999
- Consumer Price Index, December 1999
- Major Projects Inventory, Fourth Quarter 1999

### Next week

- Business Indicators, January 2000
- Current Statistics, January 2000

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca